

**Troy G. Sexton WSB No. 48826**  
tsexton@portlaw.com  
Motschenbacher & Blattner, LLP  
117 SW Taylor St., Suite 300  
Portland, OR 97204  
Telephone: (503) 417-0508  
Facsimile: (503) 417-0528  
Attorneys for Plaintiff

The Honorable Mary Jo Heston  
Chapter 13 Proceeding

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON

In re:

JOANNE VAN VEEN,

Debtor.

Bankruptcy Case No. 21-41198-MJH

Adv. Proc. No.

COMPLAINT

PDX RENOVATIONS, LLC, an Oregon  
limited liability company;  
PDX Fund, LLC, AN Oregon limited  
liability Company; Bellajor, LLC, an  
Oregon limited liability company; KMA  
CONSULTING, INC., an Oregon  
corporation; URBAN DESIGN  
CONCEPTS, LLC, an Oregon limited  
liability company; WILDCARD  
INVESTMENT, LLC, an Oregon limited  
liability company; and  
JPT ENTERPRISES, INC., an Oregon  
corporation;

Plaintiffs,

v.

JOANNE DENISE VAN VEEN, a/k/a  
JOANNE TYNAN, an individual;

Defendant.

1 Plaintiffs PDX Renovations, LLC; PDX Fund, LLC; Bellajour, LLC; KMA  
2 Consulting, Inc.; Urban Design Concepts, LLC; Wildcard Investments, LLC; and  
3 JPT Enterprises, Inc. (“Creditors”) by and through their attorneys of record  
4 Motschenbacher & Blattner, LLP, by Troy G. Sexton, and for their Complaint  
5 against Defendant Joanne Van Veen (“Defendant”) hereby alleges as follows:  
6

7 **JURISDICTION AND VENUE**

8 1. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§  
9 157 and 1334. This is an adversary proceeding pursuant to Fed. R. Bankr. P.  
10 7001(6) and a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (I), and (O).  
11

12 2. Venue is proper in this district pursuant to 28 U.S.C. § 1409(a).  
13

14 **PARTIES AND CONSENT TO FINAL JUDGMENT**

15 3. Plaintiffs are in the business of acquiring, renovating and selling real  
16 property in Oregon.

17 4. Defendant filed a voluntary petition for relief under Chapter 13 of Title  
18 11 of the United States Code on July 16, 2021, (the “Petition Date”).

19 5. Plaintiffs consent to the entry of final orders or judgment by the  
20 Bankruptcy Court.  
21

22 **STATEMENT OF FACTS**

23 6. In Defendant’s Schedules and Statement of Financial Affairs,  
24 Defendant states that she has been a self-employed bookkeeper as the owner of  
25 Jovan Management Services from 2011 to the present.  
26

1           7.     In 2016, Plaintiff hired the Defendant as their accountant and  
2 bookkeeper. Her duties included making deposits; reviewing, approving and paying  
3 accounts payables; collecting accounts receivables; writing, signing and endorsing  
4 checks for legitimate business expenses out of the corporate bank accounts;  
5 maintaining the books and records of the corporations; and reconciling and  
6 balancing the bank statements.  
7

8           8.     Defendant made false material representations to the Plaintiffs by  
9 creating false account payables entries in Plaintiffs' books reflecting amounts due to  
10 others.  
11

12           9.     Defendant then willfully and malicious with intent to defraud the  
13 Plaintiffs wrote checks to herself on account of the false accounting entries to  
14 misappropriate funds for which she was not authorized, approved or entitled to  
15 receive.  
16

17           10.    Plaintiffs have identified at least 164 fake and/or forged checks  
18 totaling a sum not less than \$154,077.49 for Defendant's personal benefit.  
19

20           11.    Plaintiffs believe they will continue to uncover more checks and  
21 transaction of fraud and embezzlement over the course of this litigation.  
22

23           12.    Defendant, with assistance from Plaintiff's subcontractors, Stacy  
24 Raften and Joel Raften, through their entity LOL Enterprises, LLC d/b/a LOL  
25 Investment, willfully and maliciously, with intent to defraud the Plaintiffs,  
26 submitted overstated and false invoices for payment to the Plaintiffs.

1           13. Defendant, as a co-conspirator, with willful and malicious intent to  
2 defraud the Plaintiffs willingly wrote and paid the overstated and false invoices to  
3 the Raftens' company, for which she received a portion of the overstated amounts  
4 back as a kick-back.  
5

6           14. Based on Plaintiffs' investigation, the Defendant made  
7 unsubstantiated payments to the Raftens in amounts not less than \$104,344.20.  
8

9                           **FIRST CLAIM FOR RELIEF**  
10                          11 U.S.C. § 523(a)(2)(A) — Fraud

11           15. The Plaintiffs reallege the allegations above as if set forth in full.

12           16. The Defendant made false material representations by creating false  
13 accounts payable entries in Plaintiffs' books and writing checks to herself for funds  
14 she was not authorized, approved, or entitled to receive, all for her personal benefit.  
15

16           17. The Defendant made these representations knowing that they were  
17 false and with the intention to deceive the Plaintiffs

18           18. The Defendant intended that Plaintiffs rely on the misrepresentations.

19           19. Plaintiffs justifiably relied on the misrepresentations.

20           20. As a direct and proximate result of that reliance, Plaintiffs have been  
21 damaged in an amount to be proven at trial but not less than \$258,421.69.  
22

23           21. Plaintiffs reserve the right to move for punitive damages as Defendant  
24 acted with malice or has shown a reckless and outrageous indifference to a highly  
25 unreasonable risk of harm and further acted with a conscious indifference to the  
26

1 health, safety, and welfare of others by knowingly embezzling and misappropriating  
2 Plaintiffs' funds for her personal enjoyment and for the enjoyment of others when  
3 she knew she and they were not entitled to them and causing Plaintiffs to suffer  
4 significant damages.  
5

6  
7 **SECOND CLAIM FOR RELIEF**

8 11 U.S.C. § 523(a)(4) — Fraud or Defalcation in a Fiduciary Capacity

9 22. The Plaintiffs reallege the allegations above as if set forth in full.

10 23. The Defendant was a fiduciary. As the Plaintiff's bookkeeper, she was  
11 in a position involving confidence, trust and good faith. She was entrusted with  
12 control and oversight of the Plaintiff's bank accounts, and had authority to issue  
13 checks on those accounts for legitimate business expenses without approval of  
14 another.

15 24. As a direct and proximate result of Defendant's fraudulent conduct,  
16 Plaintiffs have been damaged in an amount to be proven at trial but not less than  
17 \$258,421.69.  
18

19 25. Plaintiffs reserve the right to move for punitive damages as Defendant  
20 acted with malice or has shown a reckless and outrageous indifference to a highly  
21 unreasonable risk of harm and further acted with a conscious indifference to the  
22 health, safety, and welfare of others by knowingly embezzling and misappropriating  
23 Plaintiffs' funds for her personal enjoyment and for the enjoyment of others when  
24  
25  
26

1 she knew she and they were not entitled to them and causing Plaintiffs to suffer  
2 significant damages.

3  
4 **THIRD CLAIM FOR RELIEF**

11 U.S.C. § 523(a)(4) — Embezzlement

5 26. The Plaintiffs reallege the allegations above as if set forth in full.

6 27. The Defendant took money that was rightfully in the Plaintiff's bank  
7 accounts. Defendant was entrusted with access to those accounts for the payment of  
8 Plaintiff's authorized bills and expenses.

9 28. As a direct and proximate result of Defendant's conduct, Plaintiffs  
10 have been damaged in an amount to be proven at trial but not less than  
11 \$258,421.69.

12 29. Plaintiffs reserve the right to move for punitive damages as Defendant  
13 acted with malice or has shown a reckless and outrageous indifference to a highly  
14 unreasonable risk of harm and further acted with a conscious indifference to the  
15 health, safety, and welfare of others by knowingly embezzling and misappropriating  
16 Plaintiffs' funds for her personal enjoyment and for the enjoyment of others when  
17 she knew she and they were not entitled to them and causing Plaintiffs to suffer  
18 significant damages.

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22 **FOURTH CLAIM FOR RELIEF**

11 U.S.C. § 523(a)(6) — Willful and Malicious Injury

23 30. The Plaintiffs reallege the allegations above as if set forth in full.  
24  
25  
26

1           31.    Upon information and belief, Defendant willfully and maliciously  
2 injured Plaintiff by knowingly submitting false invoices in her name and forging  
3 checks to misappropriate funds she to which she was not entitled.  
4

5           32.    Defendant willfully and maliciously injured Plaintiffs by knowingly  
6 conspiring with the Raftens to submit overstated and unsubstantiated invoices for  
7 payment.  
8

9           33.    As a direct and proximate result of Defendant's conduct, Plaintiffs  
10 have been damaged in an amount to be proven at trial but not less than  
11 \$258,421.69.  
12

13           34.    Plaintiffs reserve the right to move for punitive damages as Van Veen  
14 acted with malice or has shown a reckless and outrageous indifference to a highly  
15 unreasonable risk of harm and further acted with a conscious indifference to the  
16 health, safety, and welfare of others by knowingly embezzling and misappropriating  
17 Plaintiffs' funds for her personal enjoyment and for the enjoyment of others when  
18 she knew she and they were not entitled to them and causing Plaintiffs to suffer  
19 significant damages.  
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WHEREFORE, Plaintiff respectfully requests that this Court enter a Judgment determining that the \$252,421.69 debt arising out of Defendant's actions described herein, is non-dischargeable under Bankruptcy Code 11 U.S.C. § § 523(a)(2)(A), 523(a)(4), and 523(a)(6), and granting Plaintiff such other and further relief as this Court may deem just and proper.

DATED October 26, 2021.

MOTSCHENBACHER &amp; BLATTNER LLP

/s/Troy G. Sexton

Troy G. Sexton, WSB No. 48826

Attorneys for Plaintiffs